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SRAS Guideline Consultation

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AEMO System Restart Ancillary Services Guideline Issues Paper

AGL Energy (AGL) welcomes the opportunity to comment on the Australian Energy Market Operator's (AEMO) consultation of proposed amendments to System Restart Ancillary Services (SRAS) Guideline.

The proposed amendments to the SRAS guideline predominantly give effect to the Australian Energy Market Commission's (AEMC) final rule made on 2 April 2020. The final rule included amendments to the SRAS framework by clarifying AEMO's procurement objective, broadening the scope of potential SRAS providers to include all facilities, introducing a Restoration Support Service, and introducing a system restart path testing framework.

Our response to AEMO's proposed guideline amendments arising from this rule change are set out below.

The Procurement objective

Under cl 3.11.7(a1), The AEMC amended the SRAS procurement objective to require AEMO to procure SRAS to meet the System Restart Standard at the lowest long-term cost.

We support AEMO's assessment that the benefits of longer-term procurement must be "*offset against the risk that AEMO might, in theory, be acquiring more services than might strictly be required for the power system as configured at the time of procurement.*"

However, we consider these concerns go further than over-procurement. If the ultimate driver is to facilitate new entrant capacity, then there are risks that new types of untested technology may not perform as well as initially expected. If contracted under SRAS, these contracts may still remain in place but will consequently require additional supplementary SRAS procurement to meet the shortfall in SRAS requirements.

Furthermore, once a long-term contract is in place, this will likely discourage new types of generation becoming SRAS capable. This may therefore prevent technologically superior and cheaper SRAS providers from becoming available.

We propose AEMO can manage these risks under the guideline by limiting the duration of long-term contracts by no more than five years. We also consider the factors outlined in section 6(d) of the guideline should better reflect both the positive and negative impacts of long-term contracting. For example, the section could be amended to state "the potential to facilitate, or create barriers to, investment, development, maintenance and availability of capabilities required to achieve the SRS...".

Restoration support services

With the introduction of system restart support services, the guideline must describe the capabilities, of which there may be more than one, that a restoration support service must meet to qualify as SRAS.



Under AEMO's proposed amendments, section 3.4.2 requires a Restoration Support Service to be capable of providing two or more of the attributes listed in sub paragraphs. We do not consider the 'two or more' requirement is necessary and should be removed to provide the option of procuring a support service with only one of the attributes listed. This may be particularly valuable in circumstances where one of the support services is particularly needed for the restart path. For example, AEMO may be predominantly concerned with the voltage levels of a restart path. Windfarms, solar farms and any other inverter based technology may be best placed to provide this voltage/reactive support but unable to provide further support without significant investment.

More specifically, with regard to the proposed section 3.4.2 (c) of the guideline, we propose that multiple units operating as a SRAS provider be allowed to settle on the natural frequency of the islanded network. This will eliminate the need for complicated and expensive control system changes, and also allow for a much larger combination of units to be used in the SRAS restart path.

We note that with a black start capable station that consists of many individual units (such as Hydro) it is difficult to provide dynamic frequency control, that is the control systems and other factors do not easily allow the group of generators to change the frequency. Frequency control is left to the natural governor and droop response when operating as a group.

The system restart testing framework

The AEMC rule change also introduces a regulatory framework, including AEMO, Network Service Providers (NSPs) and third parties for the physical testing of system restart paths. The guidelines must outline the factors that influence a decision of AEMO to conduct these tests along with guidance for test participants as to the measurement and data reporting requirements.

We consider the verification of the System Restart paths are vital, however it comes at a risk of cost to multiple parties. AEMO and all parties involved need to be made aware of all aspects of the proposed tests and the risk to not only the plant involved in testing but also the existing in-service plant. Whilst the guideline make reference to the test development process, and the obligations of test participants, set out under cl 4.3.6 of the rules, the guidelines should provide further guidance as to how AEMO will consult when developing the test program. In particular with reference to cl 4.3.6 (g) of the rules, the guideline should set out the factors AEMO will consider when determining an appropriate lead time before testing given the impact on test participants, and non-participants, and the risks they may face. The guideline should also set out when AEMO may consult with non-test participants to assess the impact on in-service plant along with central dispatch outcomes.

We agree with the factors outlined under section 4.5.1 of the guideline. In particular, in circumstances of material changes to facilities involved in the restart path, these tests will ensure facilities remain capable of meeting the restart path requirements. However as noted above, AGL is concerned with the increased risk to in-service plant during testing and also the period of these tests. AGL prefer an approach focussed on testing individual segments of the restart path more often rather than conducting large scale tests.

If you have any queries about this submission, please contact [REDACTED].

Yours sincerely,

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